



NEWS

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SBA Seeks Comments on Size Standards

WASHINGTON – The U.S. Small Business Administration is seeking comments from the general public on key issues relating to its small business size standards, the rules used by the SBA and other federal agencies to determine whether a business is small.

“In developing important policy changes regarding the small business community that SBA is here to serve, we are reaching out to engage our stakeholders in the process,” said Allegra F. McCullough, SBA Associate Deputy Administrator for Government Contracting and Business Development. “We believe a number of areas concerning size standards need to be examined and input from the small business community will greatly assist us in formulating meaningful and relevant changes.”

Last March, SBA proposed to restructure its size standards by reducing the number of different size categories from 37 to 10, and by expressing all size standards in terms of the number of a company’s employees. In comments submitted to the SBA, the public expressed concern about several aspects of SBA’s approach, prompting the SBA to withdraw that proposal for further study on July 1, 2004.

The SBA published a notice of the comment-seeking process in *The Federal Register* on Dec. 3. That notice, an Advance Notice of Proposed Rulemaking, didn’t propose any specific changes to the agency’s size standards. However, before SBA considers a different approach to restructuring its size standards, it is seeking comments on a number of general issues that were raised by the public in response to the March 2004 proposed rule.

Specifically, the agency is seeking comment and suggestions on:

- approaches by which to simplify size standards,
- calculating business employment size,
- use of receipts to measure business size,
- designating size standards on federal procurements,
- establishing a separate set of size standards for federal procurement,
- establishing tiered size standards for small business sub-categories,
- simplification of the affiliation and joint venture provisions,
- grandfathering existing small businesses from revised size standards,
- identifying the use of size standards on non-SBA federal programs and regulations and the impact of size standards changes.

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The SBA also will conduct a series of public meetings across the country on size standards to listen to ideas and concerns from the small business community. Information on these meetings will be announced in early 2005.

The agency also is seeking comments regarding the participation of small businesses that are majority-owned by venture capital firms in the Small Business Innovation Research Program and the relationship between franchisors and franchisees in the Temporary Staffing industry.

The SBA will consider a new size standards proposal once a thorough review of comments received from the public is completed. The public will have an additional opportunity to comment on those specific changes once they are formally proposed.

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